



April 15, 2004

Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Docket Number OP-1182

Dear Secretary Johnson:

Mellon Financial Corporation is pleased to submit the following comments to the Federal Reserve Board (the "Board") in response to the proposed changes (the "Proposal") to the Board's Policy Statement on Payments System Risk that appeared in the February 10 edition of the *Federal Register*.

While Mellon does not have any objection to the proposed policy changes, we ask that the Board apply a final cutoff time of 3 hours prior to the close of Fedwire for the Government Sponsored Enterprises (GSE) enumerated in the Proposal. Such a cutoff would facilitate operational processing for outgoing payments that are dependent on the receipt of GSE payments for funding.

If you have any questions about this matter, please do not hesitate to contact Mr. Martin Kruse of Mellon Global Securities Services at 617-382-9118.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Smith".

John H. Smith
Associate Counsel

cc: G. Orsino
M. Kruse
M. Bleier
S. Murtha